

FINANCIAL ACCOUNTING SERIES



ACCOUNTING STANDARDS UPDATE

No. 2009-10
September 2009

Financial Services—Broker and Dealers: Investments—Other

Amendment to Subtopic 940-325

An Amendment of the *FASB Accounting Standards Codification*[™]

Financial Accounting Standards Board
of the Financial Accounting Foundation

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Securities and Exchange Commission (SEC) Content

Financial Services—Broker and Dealers: Investments—Other

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This Accounting Standards Update codifies the Observer comment in paragraph 17 of EITF 02-3, *Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management*.

1. In accordance with SEC update, add paragraph 940-325-S35-1 and related heading, with no link to transition paragraph as follows:

> Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management

940-325-S35-1 See paragraph 940-325-S99-1, SEC Observer Comment: Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management, for SEC Staff views on accounting for nonderivative energy trading contracts for brokers and dealers. [EITF 02-03, Discussion, Sequence 46]

2. In accordance with SEC update, add paragraph 940-325-S99-1 and related headings, with no link to transition paragraph, as follows:

> SEC Staff Guidance

>> Comments Made by SEC Observer at Emerging Issues Task Force (EITF) Meetings

>>> SEC Observer Comment: The Effect of Lessee Involvement in Asset Construction

940-325-S99-1 The guidance prohibiting mark-to-market accounting for nonderivative energy trading contracts (see paragraph 932-330-35-1) is equally applicable to brokers and dealers, as the Guide for brokers and dealers in securities does not afford brokers and dealers special treatment in that regard. [EITF 02-03, Discussion, Sequence 46]

3. Add paragraph 940-325-S00-1 as follows:

Paragraph Number	Action	Accounting Standards Update	Date
940-325-S35-1	Added	2009-10	09/18/2009
940-325-S99-1	Added	2009-10	09/18/2009